

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-047-C - ORDER NO. 93-700 ✓
AUGUST 5, 1993

IN RE:	Application of Automated Communications,)	ORDER
	Inc. DBA AC America, Inc. for a Certifi-)	APPROVING
	cate of Public Convenience and Necessity)	CERTIFICATE
	to Provide Resold Interexchange)	
	Telecommunications Services within)	
	South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Automated Communications, Inc. DBA AC America, Inc. (Automated or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Automated's Application was filed pursuant to S.C. Code Ann. § 58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Automated to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Automated's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Automated complied with this instruction and provided the

Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed on by Southern Bell Telephone and Telegraph Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on May 25, 1993, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. Frank R. Ellerbe, III, Esquire, appeared on behalf of Automated. Carl F. McIntosh, Esquire, represented the Consumer Advocate, Harry M. Lightsey, III, Esquire, represented Southern Bell, and F. David Butler, General Counsel, represented the Commission Staff.

Automated presented the testimony of Charles B. Ellis, the Chief Administrative Office for Automated, in support of its Application. Mr. Ellis explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Ellis testified that Automated planned to utilize the long distance facilities of WilTel. Mr. Ellis further testified that the Company intends to offer a wide range of toll services to small and medium-sized business users including, but not limited to, direct dial 1+ type toll services and 800 inbound services.

Mr. Ellis further submitted that Automated will provide an additional choice for consumers and that additional choices will promote competition thereby requiring service providers to improve

1. Southern Bell subsequently withdrew its participation in the hearing after a statement by its counsel.

service or lower costs resulting in better service for lower costs for South Carolina customers.

Ellis referenced in his testimony some significant financial losses in the past, due to the Company's involvement in the provision of Alternate Operator Services (AOS) during the period 1988-1991. Since that time, however, Automated got out of the AOS business, and the financial performance of the Company improved dramatically.

After full consideration of the applicable law, the Company's Application, and the evidence presented by Automated, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Automated is incorporated under the laws of the State of Colorado, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. Automated operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.
3. Automated has the experience, capability, and financial resources to provide the services as described in its Application, and subsequently filed documents.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Automated to provide intrastate service through the resale of Message Telecommunications Service, Wide

Area Telecommunications Service, Direct Dial 800 Service, Data Transmission Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Automated for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts Automated's proposed maximum rate tariffs.

3. Automated shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Automated shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective dates of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Automated subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540

(Supp. 1992).

4. Automated shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Automated is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to Automated's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. Automated shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Automated changes underlying carriers, it shall notify the Commission in writing.

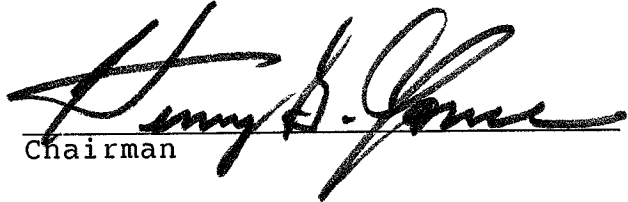
8. Automated shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Automated shall file surveillance reports on a calendar or fiscal year year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Also, however, due to Automated's past financial difficulties, Automated shall file an income statement and balance sheet on a quarterly basis so that the Commission can more closely monitor Automated's financial

status.

10. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).